



ANNUAL STATEMENT
For the Year Ending December 31, 2010
OF THE CONDITION AND AFFAIRS OF THE
TOTAL HEALTH CARE, INC.

NAIC Group Code	1238 (Current Period)	1238 (Prior Period)	NAIC Company Code	95644	Employer's ID Number	38-2018957
Organized under the Laws of	Michigan		State of Domicile or Port of Entry	Michigan		
Country of Domicile	United States of America					
Licensed as business type:	Life, Accident & Health[] Dental Service Corporation[] Other[]		Property/Casualty[] Vision Service Corporation[] Is HMO Federally Qualified? Yes[X] No[] N/A[]		Hospital, Medical & Dental Service or Indemnity[] Health Maintenance Organization[X]	
Incorporated/Organized	07/01/1973		Commenced Business	05/01/1976		
Statutory Home Office	3011 W. GRAND BLVD. SUITE 1600 (Street and Number)		DETROIT, MI 48202 (City or Town, State and Zip Code)			
Main Administrative Office	3011 W. GRAND BLVD. SUITE 1600 (Street and Number)					
	DETROIT, MI 48202 (City or Town, State and Zip Code)		(313)871-2000 (Area Code) (Telephone Number)			
Mail Address	3011 W. GRAND BLVD. SUITE 1600 (Street and Number or P.O. Box)		DETROIT, MI 48202 (City or Town, State and Zip Code)			
Primary Location of Books and Records	3011 W. GRAND BLVD. SUITE 1600 (Street and Number)					
	DETROIT, MI 48202 (City or Town, State and Zip Code)		(313)871-2000 (Area Code) (Telephone Number)			
Internet Website Address	TOTALHEALTHCAREONLINE.COM					
Statutory Statement Contact	NICOLE KHODADADEH, CFO (Name)		(313)871-7842 (Area Code)(Telephone Number)(Extension)			
	NKHODADADEH@THC-ONLINE.COM (E-Mail Address)		(313)871-4762 (Fax Number)			

OFFICERS

Name	Title
RANDY NAROWITZ	EXECUTIVE DIRECTOR #
KATHLEEN THERESA KATHER	TREASURER
ROBYN JAMES ARRINGTON JR.,M.D.	MEDICAL DIRECTOR
DOUGLAS PAUL BAKER	CHAIRPERSON
RUBY OCTAVIA COLE	SECRETARY

OTHERS

DIRECTORS OR TRUSTEES

JEANETTE ABBOTT	DOUGLAS PAUL BAKER
RUBY OCTAVIA COLE	KATHLEEN THERESA KATHER
GERTRUDE HELEN MINKIEWICZ	VERLANDO SIMS
ELIZABETH PRATCHER	

State of Michigan
County of WAYNE ss

The officers of this reporting entity being duly sworn, each depose and say that they are the described officers of the said reporting entity, and that on the reporting period stated above, all of the herein described assets were the absolute property of the said reporting entity, free and clear from any liens or claims thereon, except as herein stated, and that this statement, together with related exhibits, schedules and explanations therein contained, annexed or referred to, is a full and true statement of all the assets and liabilities and of the condition and affairs of the said reporting entity as of the reporting period stated above, and of its income and deductions therefrom for the period ended, and have been completed in accordance with the NAIC Annual Statement Instructions and Accounting Practices and Procedures manual except to the extent that: (1) state law may differ; or, (2) that state rules or regulations require differences in reporting not related to accounting practices and procedures, according to the best of their information, knowledge and belief, respectively. Furthermore, the scope of this attestation by the described officers also includes the related corresponding electronic filing with the NAIC, when required, that is an exact copy (except for formatting differences due to electronic filing) of the enclosed statement. The electronic filing may be requested by various regulators in lieu of or in addition to the enclosed statement.

(Signature) RANDY NAROWITZ (Printed Name) 1. EXECUTIVE DIRECTOR (Title)	(Signature) KATHLEEN THERESA KATHER (Printed Name) 2. TREASURER (Title)	(Signature) DOUGLAS PAUL BAKER (Printed Name) 3. CHAIRPERSON (Title)
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Subscribed and sworn to before me this
day of , 2011

- a. Is this an original filing?
b. If no, 1. State the amendment number
2. Date filed
3. Number of pages attached

Yes[X] No[]

(Notary Public Signature)

ASSETS

		Current Year			Prior Year
		1	2	3	4
		Assets	Nonadmitted Assets	Net Admitted Assets (Cols.1-2)	Net Admitted Assets
1.	Bonds (Schedule D)	1,242,358		1,242,358	
2.	Stocks (Schedule D)				
2.1	Preferred stocks				
2.2	Common Stocks	15,424,225		15,424,225	8,306,337
3.	Mortgage loans on real estate (Schedule B):				
3.1	First liens				
3.2	Other than first liens				
4.	Real estate (Schedule A):				
4.1	Properties occupied by the company (less \$.....0 encumbrances)				
4.2	Properties held for the production of income (less \$.....0 encumbrances)				
4.3	Properties held for sale (less \$.....0 encumbrances)				
5.	Cash (\$.....18,357,381 Schedule E Part 1), cash equivalents (\$.....0 Schedule E Part 2) and short-term investments (\$.....6,714,228 Schedule DA)	25,071,609		25,071,609	27,228,705
6.	Contract loans (including \$.....0 premium notes)				
7.	Derivatives				
8.	Other invested assets (Schedule BA)				
9.	Receivables for securities				
10.	Securities Lending Reinvested Collateral Assets				
11.	Aggregate write-ins for invested assets				
12.	Subtotals, cash and invested assets (Lines 1 to 11)	41,738,192		41,738,192	35,535,042
13.	Title plants less \$.....0 charged off (for Title insurers only)				
14.	Investment income due and accrued	4,820		4,820	5,831
15.	Premiums and considerations:				
15.1	Uncollected premiums and agents' balances in the course of collection	1,076,122		1,076,122	
15.2	Deferred premiums, agents' balances and installments booked but deferred and not yet due (Including \$.....0 earned but unbilled premiums)				
15.3	Accrued retrospective premiums				
16.	Reinsurance:				
16.1	Amounts recoverable from reinsurers	73,106		73,106	88,291
16.2	Funds held by or deposited with reinsured companies				
16.3	Other amounts receivable under reinsurance contracts				
17.	Amounts receivable relating to uninsured plans				
18.1	Current federal and foreign income tax recoverable and interest thereon				
18.2	Net deferred tax asset				
19.	Guaranty funds receivable or on deposit				
20.	Electronic data processing equipment and software				
21.	Furniture and equipment, including health care delivery assets (\$.....0)				
22.	Net adjustment in assets and liabilities due to foreign exchange rates				
23.	Receivables from parent, subsidiaries and affiliates	67,954		67,954	82,391
24.	Health care (\$.....2,577,092) and other amounts receivable	2,797,009	219,917	2,577,092	4,097,975
25.	Aggregate write-ins for other than invested assets	790,761	790,761		
26.	Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25)	46,547,964	1,010,678	45,537,286	39,809,530
27.	From Separate Accounts, Segregated Accounts and Protected Cell Accounts				
28.	Total (Lines 26 and 27)	46,547,964	1,010,678	45,537,286	39,809,530
DETAILS OF WRITE-INS					
1101.	.....			
1102.	.....			
1103.	.....			
1198.	Summary of remaining write-ins for Line 11 from overflow page				
1199.	TOTALS (Lines 1101 through 1103 plus 1198) (Line 11 above)				
2501.	Intangible Assets	26,974	26,974		
2502.	Negative A/P > 90 days	674,338	674,338		
2503.	Due from Management Co.				
2598.	Summary of remaining write-ins for Line 25 from overflow page	89,449	89,449		
2599.	TOTALS (Lines 2501 through 2503 plus 2598) (Line 25 above)	790,761	790,761		

LIABILITIES, CAPITAL AND SURPLUS

		Current Year			Prior Year
		1 Covered	2 Uncovered	3 Total	4 Total
1.	Claims unpaid (less \$.....0 reinsurance ceded)	16,715,198		16,715,198	16,579,054
2.	Accrued medical incentive pool and bonus amounts	1,235,377		1,235,377	962,735
3.	Unpaid claims adjustment expenses	376,007		376,007	372,944
4.	Aggregate health policy reserves				
5.	Aggregate life policy reserves				
6.	Property/casualty unearned premium reserves				
7.	Aggregate health claim reserves				
8.	Premiums received in advance	18,766		18,766	6,884
9.	General expenses due or accrued	84,323		84,323	(117,834)
10.1	Current federal and foreign income tax payable and interest thereon (including \$.....0 on realized capital gains (losses))				
10.2	Net deferred tax liability				
11.	Ceded reinsurance premiums payable				
12.	Amounts withheld or retained for the account of others				
13.	Remittances and items not allocated				
14.	Borrowed money (including \$.....0 current) and interest thereon \$.....0 (including \$.....0 current)				
15.	Amounts due to parent, subsidiaries and affiliates				442,988
16.	Derivatives				
17.	Payable for securities				
18.	Payable for securities lending				
19.	Funds held under reinsurance treaties with (\$.....0 authorized reinsurers and \$.....0 unauthorized reinsurers)				
20.	Reinsurance in unauthorized companies				
21.	Net adjustments in assets and liabilities due to foreign exchange rates				
22.	Liability for amounts held under uninsured plans				
23.	Aggregate write-ins for other liabilities (including \$.....0 current)				3,000
24.	TOTAL Liabilities (Lines 1 to 23)	18,429,671		18,429,671	18,249,771
25.	Aggregate write-ins for special surplus funds	X X X	X X X		
26.	Common capital stock	X X X	X X X		
27.	Preferred capital stock	X X X	X X X		
28.	Gross paid in and contributed surplus	X X X	X X X		
29.	Surplus notes	X X X	X X X		
30.	Aggregate write-ins for other than special surplus funds	X X X	X X X		
31.	Unassigned funds (surplus)	X X X	X X X	27,107,615	21,559,759
32.	Less treasury stock, at cost:				
32.1	.....0 shares common (value included in Line 26 \$.....0)	X X X	X X X		
32.2	.....0 shares preferred (value included in Line 27 \$.....0)	X X X	X X X		
33.	TOTAL Capital and Surplus (Lines 25 to 31 minus Line 32)	X X X	X X X	27,107,615	21,559,759
34.	TOTAL Liabilities, Capital and Surplus (Lines 24 and 33)	X X X	X X X	45,537,286	39,809,530
DETAILS OF WRITE-INS					
2301.	Accrued Other				3,000
2302.	.....			
2303.	.....			
2398.	Summary of remaining write-ins for Line 23 from overflow page				
2399.	TOTALS (Lines 2301 through 2303 plus 2398) (Line 23 above)				3,000
2501.	.....	X X X	X X X		
2502.	.....	X X X	X X X		
2503.	.....	X X X	X X X		
2598.	Summary of remaining write-ins for Line 25 from overflow page	X X X	X X X		
2599.	TOTALS (Lines 2501 through 2503 plus 2598) (Line 25 above)	X X X	X X X		
3001.	.....	X X X	X X X		
3002.	.....	X X X	X X X		
3003.	.....	X X X	X X X		
3098.	Summary of remaining write-ins for Line 30 from overflow page	X X X	X X X		
3099.	TOTALS (Lines 3001 through 3003 plus 3098) (Line 30 above)	X X X	X X X		

STATEMENT OF REVENUE AND EXPENSES

		Current Year		Prior Year
		1 Uncovered	2 Total	3 Total
1.	Member Months	X X X	647,088	647,906
2.	Net premium income (including \$.....0 non-health premium income)	X X X	180,351,518	182,505,790
3.	Change in unearned premium reserves and reserve for rate credits	X X X		
4.	Fee-for-service (net of \$.....0 medical expenses)	X X X		
5.	Risk revenue	X X X		
6.	Aggregate write-ins for other health care related revenues	X X X		(2,511,570)
7.	Aggregate write-ins for other non-health revenues	X X X		
8.	TOTAL Revenues (Lines 2 to 7)	X X X	180,351,518	179,994,220
Hospital and Medical:				
9.	Hospital/medical benefits		117,354,824	129,059,767
10.	Other professional services		4,797,140	5,736,426
11.	Outside referrals			
12.	Emergency room and out-of-area		17,242,235	8,636,800
13.	Prescription drugs		14,031,522	14,268,669
14.	Aggregate write-ins for other hospital and medical		973,423	958,778
15.	Incentive pool, withhold adjustments and bonus amounts		(302,735)	614,677
16.	Subtotal (Lines 9 to 15)		154,096,409	159,275,117
Less:				
17.	Net reinsurance recoveries		528,545	135,376
18.	TOTAL Hospital and Medical (Lines 16 minus 17)		153,567,864	159,139,741
19.	Non-health claims (net)			
20.	Claims adjustment expenses, including \$.....367,718 cost containment expenses		367,718	365,754
21.	General administrative expenses		28,832,539	25,925,847
22.	Increase in reserves for life and accident and health contracts (including \$.....0 increase in reserves for life only)			
23.	TOTAL Underwriting Deductions (Lines 18 through 22)		182,768,121	185,431,342
24.	Net underwriting gain or (loss) (Lines 8 minus 23)	X X X	(2,416,603)	(5,437,122)
25.	Net investment income earned (Exhibit of Net Investment Income, Line 17)		64,546	147,752
26.	Net realized capital gains (losses) less capital gains tax of \$.....0			
27.	Net investment gains (losses) (Lines 25 plus 26)		64,546	147,752
28.	Net gain or (loss) from agents' or premium balances charged off [(amount recovered \$.....0) (amount charged off \$.....0)]			
29.	Aggregate write-ins for other income or expenses			
30.	Net income or (loss) after capital gains tax and before all other federal income taxes (Lines 24 plus 27 plus 28 plus 29)	X X X	(2,352,057)	(5,289,370)
31.	Federal and foreign income taxes incurred	X X X		
32.	Net income (loss) (Lines 30 minus 31)	X X X	(2,352,057)	(5,289,370)
DETAILS OF WRITE-INS				
0601.	QUALITY ASSURANCE ASSESSMENT PAYMENT	X X X		(2,511,570)
0602.	.....	X X X		
0603.	.....	X X X		
0698.	Summary of remaining write-ins for Line 6 from overflow page	X X X		
0699.	TOTALS (Lines 0601 through 0603 plus 0698) (Line 6 above)	X X X		(2,511,570)
0701.	.....	X X X		
0702.	.....	X X X		
0703.	.....	X X X		
0798.	Summary of remaining write-ins for Line 7 from overflow page	X X X		
0799.	TOTALS (Line 0701 through 0703 plus 0798) (Line 7 above)	X X X		
1401.	Other Expense		973,423	958,778
1402.	.....		
1403.	.....		
1498.	Summary of remaining write-ins for Line 14 from overflow page			
1499.	TOTALS (Lines 1401 through 1403 plus 1498) (Line 14 above)		973,423	958,778
2901.	.....		
2902.	.....		
2903.	.....		
2998.	Summary of remaining write-ins for Line 29 from overflow page			
2999.	TOTALS (Line 2901 through 2903 plus 2998) (Line 29 above)			

STATEMENT OF REVENUE AND EXPENSES (Continued)

		1	2
		Current Year	Prior Year
CAPITAL & SURPLUS ACCOUNT			
33.	Capital and surplus prior reporting year	21,559,759	31,941,006
34.	Net income or (loss) from Line 32	(2,352,057)	(5,289,370)
35.	Change in valuation basis of aggregate policy and claim reserves		
36.	Change in net unrealized capital gains (losses) less capital gains tax of \$.....0	7,117,888	(4,319,820)
37.	Change in net unrealized foreign exchange capital gain or (loss)		
38.	Change in net deferred income tax		
39.	Change in nonadmitted assets	782,025	(772,057)
40.	Change in unauthorized reinsurance		
41.	Change in treasury stock		
42.	Change in surplus notes		
43.	Cumulative effect of changes in accounting principles		
44.	Capital Changes:		
44.1	Paid in		
44.2	Transferred from surplus (Stock Dividend)		
44.3	Transferred to surplus		
45.	Surplus adjustments:		
45.1	Paid in		
45.2	Transferred to capital (Stock Dividend)		
45.3	Transferred from capital		
46.	Dividends to stockholders		
47.	Aggregate write-ins for gains or (losses) in surplus		
48.	Net change in capital and surplus (Lines 34 to 47)	5,547,856	(10,381,247)
49.	Capital and surplus end of reporting year (Line 33 plus 48)	27,107,615	21,559,759
DETAILS OF WRITE-INS			
4701.	.....	
4702.	.....	
4703.	.....	
4798.	Summary of remaining write-ins for Line 47 from overflow page		
4799.	TOTALS (Lines 4701 through 4703 plus 4798) (Line 47 above)		

CASH FLOW

		1	2
		Current Year	Prior Year
Cash from Operations			
1.	Premiums collected net of reinsurance	181,529,945	182,505,295
2.	Net investment income	65,557	170,794
3.	Miscellaneous income	(406,941)	(3,771,164)
4.	Total (Lines 1 through 3)	181,188,561	178,904,925
5.	Benefit and loss related payments	153,143,893	155,502,910
6.	Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts		
7.	Commissions, expenses paid and aggregate write-ins for deductions	29,197,194	26,217,132
8.	Dividends paid to policyholders		
9.	Federal and foreign income taxes paid (recovered) net of \$.....0 tax on capital gains (losses)		
10.	Total (Lines 5 through 9)	182,341,087	181,720,042
11.	Net cash from operations (Line 4 minus Line 10)	(1,152,526)	(2,815,117)
Cash from Investments			
12.	Proceeds from investments sold, matured or repaid:		
12.1	Bonds		1,000,000
12.2	Stocks		
12.3	Mortgage loans		
12.4	Real estate		
12.5	Other invested assets		
12.6	Net gains or (losses) on cash, cash equivalents and short-term investments		
12.7	Miscellaneous proceeds		
12.8	Total investment proceeds (Lines 12.1 to 12.7)		1,000,000
13.	Cost of investments acquired (long-term only):		
13.1	Bonds	1,245,000	
13.2	Stocks		
13.3	Mortgage loans		
13.4	Real estate		
13.5	Other invested assets		
13.6	Miscellaneous applications	(2,642)	
13.7	Total investments acquired (Lines 13.1 to 13.6)	1,242,358	
14.	Net increase (decrease) in contract loans and premium notes		
15.	Net cash from investments (Line 12.8 minus Line 13.7 minus Line 14)	(1,242,358)	1,000,000
Cash from Financing and Miscellaneous Sources			
16.	Cash provided (applied):		
16.1	Surplus notes, capital notes		
16.2	Capital and paid in surplus, less treasury stock		
16.3	Borrowed funds		
16.4	Net deposits on deposit-type contracts and other insurance liabilities		
16.5	Dividends to stockholders		
16.6	Other cash provided (applied)	237,788	(35,404)
17.	Net cash from financing and miscellaneous sources (Lines 16.1 to 16.4 minus Line 16.5 plus Line 16.6)	237,788	(35,404)
RECONCILIATION OF CASH, CASH EQUIVALENTS AND SHORT-TERM INVESTMENTS			
18.	Net change in cash, cash equivalents and short-term investments (Line 11, plus Lines 15 and 17)	(2,157,096)	(1,850,521)
19.	Cash, cash equivalents and short-term investments:		
19.1	Beginning of year	27,228,705	29,079,226
19.2	End of year (Line 18 plus Line 19.1)	25,071,609	27,228,705

Note: Supplemental Disclosures of Cash Flow Information for Non-Cash Transactions:

20.0001	.....	
20.0002	.....	

ANALYSIS OF OPERATIONS BY LINES OF BUSINESS

		1	2	3	4	5	6	7	8	9	10
		Total	Comprehensive (Hospital & Medical)	Medicare Supplement	Dental Only	Vision Only	Federal Employees Health Benefit Plan	Title XVIII Medicare	Title XIX Medicaid	Other Health	Other Non-Health
1.	Net premium income	180,351,518	214,635						180,136,883		
2.	Change in unearned premium reserves and reserve for rate credit										
3.	Fee-for-service (net of \$.....0 medical expenses)										X X X
4.	Risk revenue										X X X
5.	Aggregate write-ins for other health care related revenues										X X X
6.	Aggregate write-ins for other non-health care related revenues		X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	
7.	TOTAL Revenues (Lines 1 to 6)	180,351,518	214,635						180,136,883		
8.	Hospital/medical benefits	117,354,824	126,795						117,228,029		X X X
9.	Other professional services	4,797,140	15,966						4,781,174		X X X
10.	Outside referrals										X X X
11.	Emergency room and out-of-area	17,242,235	7,699						17,234,536		X X X
12.	Prescription drugs	14,031,522	33,739						13,997,783		X X X
13.	Aggregate write-ins for other hospital and medical	973,423							973,423		X X X
14.	Incentive pool, withhold adjustments and bonus amounts	(302,735)	(711)						(302,024)		X X X
15.	Subtotal (Lines 8 to 14)	154,096,409	183,488						153,912,921		X X X
16.	Net reinsurance recoveries	528,545							528,545		X X X
17.	TOTAL Hospital and Medical (Lines 15 minus 16)	153,567,864	183,488						153,384,376		X X X
18.	Non-health claims (net)		X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	
19.	Claims adjustment expenses including \$.....367,718 cost containment expenses	367,718	429						367,289		
20.	General administrative expenses	28,832,539	34,249						28,798,290		
21.	Increase in reserves for accident and health contracts										X X X
22.	Increase in reserves for life contracts		X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	
23.	TOTAL Underwriting Deductions (Lines 17 to 22)	182,768,121	218,166						182,549,955		
24.	Net underwriting gain or (loss) (Line 7 minus Line 23)	(2,416,603)	(3,531)						(2,413,072)		
DETAILS OF WRITE-INS											
0501.	.....										X X X
0502.	.....										X X X
0503.	.....										X X X
0598.	Summary of remaining write-ins for Line 5 from overflow page										X X X
0599.	TOTALS (Lines 0501 through 0503 plus 0598) (Line 5 above)										X X X
0601.	.....		X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	
0602.	.....		X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	
0603.	.....		X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	
0698.	Summary of remaining write-ins for Line 6 from overflow page		X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	
0699.	TOTALS (Lines 0601 through 0603 plus 0698) (Line 6 above)		X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	
1301.	Other Expense	973,423							973,423		X X X
1302.	.....										X X X
1303.	.....										X X X
1398.	Summary of remaining write-ins for Line 13 from overflow page										X X X
1399.	TOTALS (Lines 1301 through 1303 plus 1398) (Line 13 above)	973,423							973,423		X X X

UNDERWRITING AND INVESTMENT EXHIBIT
PART 1 - PREMIUMS

		1	2	3	4
		Direct Business	Reinsurance Assumed	Reinsurance Ceded	Net Premium Income (Columns 1 + 2 - 3)
Line of Business					
1.	Comprehensive (hospital and medical)	215,038		403	214,635
2.	Medicare Supplement				
3.	Dental only				
4.	Vision only				
5.	Federal Employees Health Benefits Plan				
6.	Title XVIII - Medicare				
7.	Title XIX - Medicaid	180,303,005		166,122	180,136,883
8.	Other health				
9.	Health subtotal (Lines 1 through 8)	180,518,043		166,525	180,351,518
10.	Life				
11.	Property/casualty				
12.	TOTALS (Lines 9 to 11)	180,518,043		166,525	180,351,518

UNDERWRITING AND INVESTMENT EXHIBIT
PART 2 - CLAIMS INCURRED DURING THE YEAR

	1	2	3	4	5	6	7	8	9	10
	Total	Comprehensive (Hospital & Medical)	Medicare Supplement	Dental Only	Vision Only	Federal Employees Health Benefits Plan	Title XVIII Medicare	Title XIX Medicaid	Other Health	Other Non-Health
1. Payments during the year:										
1.1 Direct	153,159,078	1,531,591						151,627,487		
1.2 Reinsurance assumed										
1.3 Reinsurance ceded	543,730							543,730		
1.4 Net	152,615,348	1,531,591						151,083,757		
2. Paid medical incentive pools and bonuses	(302,735)	(711)						(302,024)		
3. Claim liability December 31, current year from Part 2A:										
3.1 Direct	16,715,198	26,354						16,688,844		
3.2 Reinsurance assumed										
3.3 Reinsurance ceded										
3.4 Net	16,715,198	26,354						16,688,844		
4. Claim reserve December 31, current year from Part 2D:										
4.1 Direct										
4.2 Reinsurance assumed										
4.3 Reinsurance ceded										
4.4 Net										
5. Accrued medical incentive pools and bonuses, current year	1,235,377	1,124						1,234,253		
6. Net healthcare receivables (a)	(1,835,726)	(1,669)						(1,834,057)		
7. Amounts recoverable from reinsurers December 31, current year	73,106							73,106		
8. Claim liability December 31, prior year from Part 2A:										
8.1 Direct	16,579,054	11,354						16,567,700		
8.2 Reinsurance assumed										
8.3 Reinsurance ceded										
8.4 Net	16,579,054	11,354						16,567,700		
9. Claim reserve December 31, prior year from Part 2D:										
9.1 Direct										
9.2 Reinsurance assumed										
9.3 Reinsurance ceded										
9.4 Net										
10. Accrued medical incentive pools and bonuses, prior year	962,735	550						962,185		
11. Amounts recoverable from reinsurers December 31, prior year	88,291							88,291		
12. Incurred benefits:										
12.1 Direct	155,130,948	1,548,260						153,582,688		
12.2 Reinsurance assumed										
12.3 Reinsurance ceded	528,545							528,545		
12.4 Net	154,602,403	1,548,260						153,054,143		
13. Incurred medical incentive pools and bonuses	(30,093)	(137)						(29,956)		

(a) Excludes \$.....0 loans or advances to providers not yet expensed.

UNDERWRITING AND INVESTMENT EXHIBIT
PART 2A - CLAIMS LIABILITY END OF CURRENT YEAR

	1	2	3	4	5	6	7	8	9	10
	Total	Compre- hensive (Hospital & Medical)	Medicare Supplement	Dental Only	Vision Only	Federal Employees Health Benefits Plan	Title XVIII Medicare	Title XIX Medicaid	Other Health	Other Non-Health
1. Reported in Process of Adjustment:										
1.1 Direct	6,220,405	9,807						6,210,598		
1.2 Reinsurance assumed										
1.3 Reinsurance ceded										
1.4 Net	6,220,405	9,807						6,210,598		
2. Incurred but Unreported:										
2.1 Direct	10,494,793	16,547						10,478,246		
2.2 Reinsurance assumed										
2.3 Reinsurance ceded										
2.4 Net	10,494,793	16,547						10,478,246		
3. Amounts Withheld from Paid Claims and Capitations:										
3.1 Direct										
3.2 Reinsurance assumed										
3.3 Reinsurance ceded										
3.4 Net										
4. TOTALS										
4.1 Direct	16,715,198	26,354						16,688,844		
4.2 Reinsurance assumed										
4.3 Reinsurance ceded										
4.4 Net	16,715,198	26,354						16,688,844		

UNDERWRITING AND INVESTMENT EXHIBIT
PART 2B - ANALYSIS OF CLAIMS UNPAID-PRIOR YEAR-NET OF REINSURANCE

Line of Business		Claims Paid During the Year		Claim Reserve and Claim Liability December 31 of Current Year		5	6
		1 On Claims Incurred Prior to January 1 of Current Year	2 On Claims Incurred During the Year	3 On Claims Unpaid December 31 of Prior Year	4 On Claims Incurred During the Year	Claims Incurred in Prior Years (Columns 1 + 3)	Estimated Claim Reserve and Claim Liability December 31 of Prior Year
1.	Comprehensive (hospital and medical)	14,334	168,792	12,255	14,099	26,589	11,354
2.	Medicare Supplement						
3.	Dental only						
4.	Vision only						
5.	Federal Employees Health Benefits Plan						
6.	Title XVIII - Medicare						
7.	Title XIX - Medicaid	16,301,956	136,976,731	1,213,244	15,475,600	17,515,200	16,567,700
8.	Other health						
9.	Health subtotal (Lines 1 to 8)	16,316,290	137,145,523	1,225,499	15,489,699	17,541,789	16,579,054
10.	Healthcare receivables (a)						
11.	Other non-health						
12.	Medical incentive pool and bonus amounts	(136,442)	(166,293)		1,235,377	(136,442)	962,735
13.	TOTALS (Lines 9 - 10 + 11 + 12)	16,179,848	136,979,230	1,225,499	16,725,076	17,405,347	17,541,789

(a) Excludes \$.00 loans or advances to providers not yet expensed.

UNDERWRITING AND INVESTMENT EXHIBIT
PART 2C - DEVELOPMENT OF PAID AND INCURRED HEALTH CLAIMS (000 Omitted)

Grand Total

Section A - Paid Health Claims

Year in Which Losses Were Incurred		Cumulative Net Amounts Paid				
		1 2006	2 2007	3 2008	4 2009	5 2010
1.	Prior	15,450	15,560	15,540	15,544	15,544
2.	2006	76,295	94,635	94,912	94,900	94,901
3.	2007	X X X	103,670	113,849	114,182	114,176
4.	2008	X X X	X X X	131,452	145,805	145,867
5.	2009	X X X	X X X	X X X	139,611	155,871
6.	2010	X X X	X X X	X X X	X X X	137,146

Section B - Incurred Health Claims

Year in Which Losses Were Incurred		Sum of Cumulative Net Amount Paid and Claim Liability, Claim Reserve and Medical Incentive Pool and Bonuses Outstanding at End of Year				
		1 2006	2 2007	3 2008	4 2009	5 2010
1.	Prior	61,718	79,273	79,526	15,544	15,544
2.	2006	91,015	94,844	94,934	94,900	94,901
3.	2007	X X X	124,984	114,629	114,187	114,176
4.	2008	X X X	X X X	144,468	146,000	145,875
5.	2009	X X X	X X X	X X X	156,953	157,088
6.	2010	X X X	X X X	X X X	X X X	153,871

Section C - Incurred Year Health Claims and Claims Adjustment Expense Ratio

Years in Which Premiums were Earned and Claims were Incurred		1 Premiums Earned	2 Claims Payments	3 Claim Adjustment Expense Payments	4 (Col. 3/2) Percent	5 Claim and Claim Adjustment Expense Payments (Col. 2 + 3)	6 (Col. 5/1) Percent	7 Claims Unpaid	8 Unpaid Claims Adjustment Expenses	9 Total Claims and Claims Adjustment Expense Incurred (Col. 5 + 7 + 8)	10 (Col. 9/1) Percent
1.	2006	122,692	94,901	337	0.355	95,238	77.624			95,238	77.624
2.	2007	162,846	114,176	366	0.321	114,542	70.338			114,542	70.338
3.	2008	166,768	145,867	343	0.235	146,210	87.673	8		146,218	87.678
4.	2009	182,505	155,871	418	0.268	156,289	85.636	1,217		157,506	86.303
5.	2010	180,352	137,146	316	0.230	137,462	76.218	16,725	376	154,563	85.700

12 Total

UNDERWRITING AND INVESTMENT EXHIBIT
PART 2C - DEVELOPMENT OF PAID AND INCURRED HEALTH CLAIMS (000 Omitted)

Hospital and Medical
Section A - Paid Health Claims

Year in Which Losses Were Incurred		Cumulative Net Amounts Paid				
		1 2006	2 2007	3 2008	4 2009	5 2010
1.	Prior	7	7	7	7	7
2.	2006	38	47	47	47	47
3.	2007	X X X	52	57	57	57
4.	2008	X X X	X X X	66	73	78
5.	2009	X X X	X X X	X X X	70	80
6.	2010	X X X	X X X	X X X	X X X	169

Section B - Incurred Health Claims

Year in Which Losses Were Incurred		Sum of Cumulative Net Amount Paid and Claim Liability, Claim Reserve and Medical Incentive Pool and Bonuses Outstanding at End of Year				
		1 2006	2 2007	3 2008	4 2009	5 2010
1.	Prior	(589)	(580)	(580)	7	7
2.	2006	46	47	48	47	47
3.	2007	X X X	62	57	57	57
4.	2008	X X X	X X X	72	73	82
5.	2009	X X X	X X X	X X X	79	88
6.	2010	X X X	X X X	X X X	X X X	184

Section C - Incurred Year Health Claims and Claims Adjustment Expense Ratio

Years in Which Premiums were Earned and Claims were Incurred		1 Premiums Earned	2 Claims Payments	3 Claim Adjustment Expense Payments	4 (Col. 3/2) Percent	5 Claim and Claim Adjustment Expense Payments (Col. 2 + 3)	6 (Col. 5/1) Percent	7 Claims Unpaid	8 Unpaid Claims Adjustment Expenses	9 Total Claims and Claims Adjustment Expense Incurred (Col. 5 + 7 + 8)	10 (Col. 9/1) Percent
1.	2006	(20)	47			47	(235.000)			47	(235.000)
2.	2007	86	57			57	66.279			57	66.279
3.	2008	98	78	0	0.014	78	79.603	4		82	83.685
4.	2009	116	80	0	0.152	80	69.070	8		88	75.967
5.	2010	215	169	1	0.513	170	79.008	15		185	85.985

12	Underwriting Invest Exh Pt 2C Sn A - Paid Claims - Medicare Supplement	NONE
12	Underwriting Invest Exh Pt 2C Sn B - Incur. Claims - Medicare Supplement . . .	NONE
12	Underwriting Invest Exh Pt 2C Sn C - Expns Ratios - Medicare Supplement . . .	NONE
12	Underwriting Invest Exh Pt 2C Sn A - Paid Claims - Dental Only	NONE
12	Underwriting Invest Exh Pt 2C Sn B - Incur. Claims - Dental Only	NONE
12	Underwriting Invest Exh Pt 2C Sn C - Expns Ratios - Dental Only	NONE
12	Underwriting Invest Exh Pt 2C Sn A - Paid Claims - Vision Only	NONE
12	Underwriting Invest Exh Pt 2C Sn B - Incur. Claims - Vision Only	NONE
12	Underwriting Invest Exh Pt 2C Sn C - Expns Ratios - Vision Only	NONE
12	Underwriting Invest Exh Pt 2C Sn A - Paid Claims - Fed Emp HBPP	NONE
12	Underwriting Invest Exh Pt 2C Sn B - Incur. Claims - Fed Emp HBPP	NONE
12	Underwriting Invest Exh Pt 2C Sn C - Expns Ratios - Fed Emp HBPP	NONE
12	Underwriting Invest Exh Pt 2C Sn A - Paid Claims - Title XVIII-Medicare	NONE
12	Underwriting Invest Exh Pt 2C Sn B - Incur. Claims - Title XVIII-Medicare	NONE
12	Underwriting Invest Exh Pt 2C Sn C - Expns Ratios - Title XVIII-Medicare	NONE

UNDERWRITING AND INVESTMENT EXHIBIT
PART 2C - DEVELOPMENT OF PAID AND INCURRED HEALTH CLAIMS (000 Omitted)

Title XIX - Medicaid

Section A - Paid Health Claims

Year in Which Losses Were Incurred		Cumulative Net Amounts Paid				
		1 2006	2 2007	3 2008	4 2009	5 2010
1.	Prior	15,443	15,553	15,533	15,537	15,537
2.	2006	76,257	94,588	94,865	94,853	94,854
3.	2007	X X X	103,618	113,792	114,125	114,119
4.	2008	X X X	X X X	131,386	145,732	145,789
5.	2009	X X X	X X X	X X X	139,541	155,791
6.	2010	X X X	X X X	X X X	X X X	136,977

Section B - Incurred Health Claims

Year in Which Losses Were Incurred		Sum of Cumulative Net Amount Paid and Claim Liability, Claim Reserve and Medical Incentive Pool and Bonuses Outstanding at End of Year				
		1 2006	2 2007	3 2008	4 2009	5 2010
1.	Prior	62,307	79,853	80,106	15,537	15,537
2.	2006	90,969	94,797	94,886	94,853	94,854
3.	2007	X X X	124,922	114,572	114,130	114,119
4.	2008	X X X	X X X	144,396	145,927	145,793
5.	2009	X X X	X X X	X X X	156,874	157,000
6.	2010	X X X	X X X	X X X	X X X	153,687

Section C - Incurred Year Health Claims and Claims Adjustment Expense Ratio

Years in Which Premiums were Earned and Claims were Incurred		1 Premiums Earned	2 Claims Payments	3 Claim Adjustment Expense Payments	4 (Col. 3/2) Percent	5 Claim and Claim Adjustment Expense Payments (Col. 2 + 3)	6 (Col. 5/1) Percent	7 Claims Unpaid	8 Unpaid Claims Adjustment Expenses	9 Total Claims and Claims Adjustment Expense Incurred (Col. 5 + 7 + 8)	10 (Col. 9/1) Percent
1.	2006	122,712	94,854	337	0.355	95,191	77.573			95,191	77.573
2.	2007	162,760	114,119	366	0.321	114,485	70.340			114,485	70.340
3.	2008	166,670	145,789	343	0.235	146,132	87.677	4		146,136	87.680
4.	2009	182,389	155,791	418	0.268	156,209	85.646	1,209		157,418	86.309
5.	2010	180,137	136,977	315	0.230	137,292	76.215	16,710	376	154,378	85.700

12 Underwriting Invest Exh Pt 2C Sn A - Paid Claims - Other NONE

12 Underwriting Invest Exh Pt 2C Sn B - Incur Claims - Other NONE

12 Underwriting Invest Exh Pt 2C Sn C - Expns Ratios - Other NONE

13 Underwriting Invest Exh Pt 2D - A & H Reserve NONE

UNDERWRITING AND INVESTMENT EXHIBIT
PART 3 - ANALYSIS OF EXPENSES

		Claim Adjustment Expenses		3	4	5
		1	2			
		Cost Containment Expenses	Other Claim Adjustment Expenses	General Administrative Expenses	Investment Expenses	Total
1.	Rent (\$.....0 for occupancy of own building)			115,914		115,914
2.	Salaries, wages and other benefits	367,718		8,146,571		8,514,289
3.	Commissions (less \$.....0 ceded plus \$.....0 assumed)					
4.	Legal fees and expenses			22,346		22,346
5.	Certifications and accreditation fees			755,867		755,867
6.	Auditing, actuarial and other consulting services			755,866		755,866
7.	Traveling expenses			671,882		671,882
8.	Marketing and advertising			29,153		29,153
9.	Postage, express and telephone			1,259,779		1,259,779
10.	Printing and office supplies			1,763,690		1,763,690
11.	Occupancy, depreciation and amortization			1,511,734		1,511,734
12.	Equipment			419,926		419,926
13.	Cost or depreciation of EDP equipment and software					
14.	Outsourced services including EDP, claims, and other services			795,951		795,951
15.	Boards, bureaus and association fees			167,970		167,970
16.	Insurance, except on real estate			1,018,749		1,018,749
17.	Collection and bank service charges			167,970		167,970
18.	Group service and administration fees					
19.	Reimbursements by uninsured plans					
20.	Reimbursements from fiscal intermediaries					
21.	Real estate expenses					
22.	Real estate taxes					
23.	Taxes, licenses and fees:					
23.1	State and local insurance taxes					
23.2	State premium taxes			10,893,230		10,893,230
23.3	Regulator authority licenses and fees					
23.4	Payroll taxes			335,941		335,941
23.5	Other (excluding federal income and real estate taxes)					
24.	Investment expenses not included elsewhere					
25.	Aggregate write-ins for expenses					
26.	TOTAL Expenses Incurred (Lines 1 to 25)	367,718		28,832,539		(a) 29,200,257
27.	Less expenses unpaid December 31, current year			84,323		84,323
28.	Add expenses unpaid December 31, prior year			(117,834)		(117,834)
29.	Amounts receivable relating to uninsured plans, prior year					
30.	Amounts receivable relating to uninsured plans, current year					
31.	TOTAL Expenses Paid (Lines 26 minus 27 plus 28 minus 29 plus 30)	367,718		28,630,382		28,998,100
DETAILS OF WRITE-INS						
2501.	.....				
2502.	.....				
2503.	.....				
2598.	Summary of remaining write-ins for Line 25 from overflow page					
2599.	TOTALS (Lines 2501 through 2503 plus 2598) (Line 25 above)					

(a) Includes management fees of \$.....0 to affiliates and \$.....0 to non-affiliates.

EXHIBIT OF NET INVESTMENT INCOME

		1	2
		Collected During Year	Earned During Year
1.	U.S. Government bonds	(a) .....	.....
1.1	Bonds exempt from U.S. tax	(a) .....	.....
1.2	Other bonds (unaffiliated)	(a) 125	..... 728
1.3	Bonds of affiliates	(a) .....	.....
2.1	Preferred stocks (unaffiliated)	(b) .....	.....
2.11	Preferred stocks of affiliates	(b) .....	.....
2.2	Common stocks (unaffiliated) .....	.....	.....
2.21	Common stocks of affiliates .....	.....	.....
3.	Mortgage loans	(c) .....	.....
4.	Real estate	(d) .....	.....
5.	Contract loans .....	.....	.....
6.	Cash, cash equivalents and short-term investments	(e) 64,908	..... 63,818
7.	Derivative instruments	(f) .....	.....
8.	Other invested assets .....	.....	.....
9.	Aggregate write-ins for investment income .....	.....	.....
10.	Total gross investment income .....	..... 65,033	..... 64,546
11.	Investment expenses	(g)	
12.	Investment taxes, licenses and fees, excluding federal income taxes	(g)	
13.	Interest expense	(h)	
14.	Depreciation on real estate and other invested assets	(i)	
15.	Aggregate write-ins for deductions from investment income .....	.....
16.	Total deductions (Lines 11 through 15) .....	.....
17.	Net Investment income (Line 10 minus Line 16) .....	..... 64,546	
DETAILS OF WRITE-INS			
0901.	.....	.....	.....
0902.	.....	.....	.....
0903.	.....	.....	.....
0998.	Summary of remaining write-ins for Line 9 from overflow page .....	.....	.....
0999.	TOTALS (Lines 0901 through 0903 plus 0998) (Line 9, above) .....	.....	.....
1501.	.....	.....	.....
1502.	.....	.....	.....
1503.	.....	.....	.....
1598.	Summary of remaining write-ins for Line 15 from overflow page .....	.....	.....
1599.	TOTALS (Lines 1501 through 1503 plus 1598) (Line 15, above) .....	.....	.....
(a) Includes \$......0 accrual of discount less \$......0 amortization of premium and less \$......0 paid for accrued interest on purchases.			
(b) Includes \$......0 accrual of discount less \$......0 amortization of premium and less \$......0 paid for accrued dividends on purchases.			
(c) Includes \$......0 accrual of discount less \$......0 amortization of premium and less \$......0 paid for accrued interest on purchases.			
(d) Includes \$......0 for company's occupancy of its own buildings; and excludes \$......0 interest on encumbrances.			
(e) Includes \$......0 accrual of discount less \$......0 amortization of premium and less \$......0 paid for accrued interest on purchases.			
(f) Includes \$......0 accrual of discount less \$......0 amortization of premium.			
(g) Includes \$......0 investment expenses and \$......0 investment taxes, licenses and fees, excluding federal income taxes, attributable to segregated and Separate Accounts.			
(h) Includes \$......0 interest on surplus notes and \$......0 interest on capital notes.			
(i) Includes \$......0 depreciation on real estate and \$......0 depreciation on other invested assets.			

EXHIBIT OF CAPITAL GAINS (LOSSES)

		1	2	3	4	5
		Realized Gain (Loss) on Sales or Maturity	Other Realized Adjustments	Total Realized Capital Gain (Loss) (Columns 1 + 2)	Change in Unrealized Capital Gain (Loss)	Change in Unrealized Foreign Exchange Capital Gain (Loss)
1.	U.S. Government bonds .....	.....	.....	.....	.....	.....
1.1	Bonds exempt from U.S. tax .....	.....	.....	.....	.....	.....
1.2	Other bonds (unaffiliated) .....	.....	.....	.....	.....	.....
1.3	Bonds of affiliates .....	.....	.....	.....	.....	.....
2.1	Preferred stocks (unaffiliated) .....	.....	.....	.....	.....	.....
2.11	Preferred stocks of affiliates .....	.....	.....	.....	.....	.....
2.2	Common stocks (unaffiliated) .....	.....	.....	.....	.....	.....
2.21	Common stocks of affiliates .....	.....	.....	.....	..... 7,117,888	.....
3.	Mortgage loans .....	.....	.....	.....	.....	.....
4.	Real estate .....	.....	.....	.....	.....	.....
5.	Contract loans .....	.....	.....	.....	.....	.....
6.	Cash, cash equivalents and short-term investments .....	.....	.....	.....	.....	.....
7.	Derivative instruments .....	.....	.....	.....	.....	.....
8.	Other invested assets .....	.....	.....	.....	.....	.....
9.	Aggregate write-ins for capital gains (losses) .....	.....	.....	.....	.....	.....
10.	Total capital gains (losses) .....	.....	.....	.....	..... 7,117,888	.....
DETAILS OF WRITE-INS						
0901.	.....	.....	.....	.....	.....	.....
0902.	.....	.....	.....	.....	.....	.....
0903.	.....	.....	.....	.....	.....	.....
0998.	Summary of remaining write-ins for Line 9 from overflow page ..	.....	.....	.....	.....	.....
0999.	TOTALS (Lines 0901 through 0903 plus 0998) (Line 9, above) ..	.....	.....	.....	.....	.....

EXHIBIT OF NONADMITTED ASSETS

		1	2	3
		Current Year Total Nonadmitted Assets	Prior Year Total Nonadmitted Assets	Change in Total Nonadmitted Assets (Col. 2 - Col. 1)
1.	Bonds (Schedule D)			
2.	Stocks (Schedule D):			
2.1	Preferred stocks			
2.2	Common stocks			
3.	Mortgage loans on real estate (Schedule B):			
3.1	First liens			
3.2	Other than first liens			
4.	Real estate (Schedule A):			
4.1	Properties occupied by the company			
4.2	Properties held for the production of income			
4.3	Properties held for sale			
5.	Cash (Schedule E-Part 1), cash equivalents (Schedule E-Part 2) and short-term investments (Schedule DA)			
6.	Contract loans			
7.	Derivatives			
8.	Other invested assets (Schedule BA)			
9.	Receivables for securities			
10.	Securities lending reinvested collateral assets			
11.	Aggregate write-ins for invested assets			
12.	Subtotals, cash and invested assets (Lines 1 to 11)			
13.	Title plants (for Title insurers only)			
14.	Invested income due and accrued			
15.	Premium and considerations:			
15.1	Uncollected premiums and agents' balances in the course of collection			
15.2	Deferred premiums, agents' balances and installments booked but deferred and not yet due			
15.3	Accrued retrospective premiums			
16.	Reinsurance:			
16.1	Amounts recoverable from reinsurers			
16.2	Funds held by or deposited with reinsured companies			
16.3	Other amounts receivable under reinsurance contracts			
17.	Amounts receivable relating to uninsured plans			
18.1	Current federal and foreign income tax recoverable and interest thereon			
18.2	Net deferred tax asset			
19.	Guaranty funds receivable or on deposit			
20.	Electronic data processing equipment and software			
21.	Furniture and equipment, including health care delivery assets			
22.	Net adjustment in assets and liabilities due to foreign exchange rates			
23.	Receivables from parent, subsidiaries and affiliates			
24.	Health care and other amounts receivable	219,917	526,142	306,225
25.	Aggregate write-ins for other than invested assets	790,761	1,266,561	475,800
26.	Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25)	1,010,678	1,792,703	782,025
27.	From Separate Accounts, Segregated Accounts and Protected Cell Accounts			
28.	Total (Lines 26 and 27)	1,010,678	1,792,703	782,025
DETAILS OF WRITE-INS				
1101.	.....		
1102.	.....		
1103.	.....		
1198.	Summary of remaining write-ins for Line 11 from overflow page			
1199.	TOTALS (Lines 1101 through 1103 plus 1198) (Line 11 above)			
2501.	Intangible Assets	26,974	62,938	35,964
2502.	Negative A/P > 90 days	674,338	543,681	(130,657)
2503.	Due from Management Co.		659,942	659,942
2598.	Summary of remaining write-ins for Line 25 from overflow page	89,449		(89,449)
2599.	TOTALS (Lines 2501 through 2503 plus 2598) (Line 25 above)	790,761	1,266,561	475,800

EXHIBIT 1 - ENROLLMENT BY PRODUCT TYPE FOR HEALTH BUSINESS ONLY

Source of Enrollment		Total Members at End of					6
		1 Prior Year	2 First Quarter	3 Second Quarter	4 Third Quarter	5 Current Year	Current Year Member Months
1.	Health Maintenance Organizations	54,862	54,796	53,984	52,786	52,710	647,088
2.	Provider Service Organizations						
3.	Preferred Provider Organizations						
4.	Point of Service						
5.	Indemnity Only						
6.	Aggregate write-ins for other lines of business						
7.	TOTAL	54,862	54,796	53,984	52,786	52,710	647,088
DETAILS OF WRITE-INS							
0601.	.....					
0602.	.....					
0603.	.....					
0698.	Summary of remaining write-ins for Line 6 from overflow page						
0699.	TOTALS (Lines 0601 through 0603 plus 0698) (Line 6 above)						

Notes to Financial Statements

Note 1 - Nature of Business and Significant Accounting Policies

Total Health Care, Inc. (the "Company"), a not-for-profit corporation, operates as a state-licensed health maintenance organization (HMO). Total Health Care, Inc. provides medical services to persons primarily in southeastern Michigan who subscribe as recipients of state or federal health benefits or as individuals.

Total Health Care, Inc., and its wholly owned subsidiaries, Total Health Choice, Inc. and Total Health Care USA, Inc., have common officers on their respective governing boards.

Statutory Basis of Accounting - The financial statements have been prepared in accordance with the NAIC Accounting Practices and Procedures manual and the statutory accounting principles as prescribed by Section 1007 of the Michigan statutes. Statutory accounting principles differ from generally accepted accounting principles (GAAP) in their definition of assets and liabilities. Specifically, certain assets (such as intangible assets and receivables greater than 90 days) are excluded from the statutory basis balance sheet. GAAP net assets exceed statutory net assets by approximately \$1,010,678 and \$1,792,703 at December 31, 2010 and 2009, respectively. There are no significant differences between statutory accounting principles prescribed by the NAIC and the State of Michigan accounting requirements that are applicable to the Company.

Cash and Short-term Investments - The Company considers all highly liquid investments purchased with an original maturity of three months or less when purchased to be cash equivalents. Certificates of deposit in banks or other similar financial institutions with maturity dates of one year or less from the acquisition date are considered cash under statutory accounting principles.

Investments - Short-term investments and long-term certificates of deposit are recorded at amortized cost, which approximates fair market value. Long-term certificates of deposit are classified as bonds on the balance sheet per statutory guidance. Investments in health care subsidiaries are reported at the statutory net worth value of the subsidiary under the equity method and are reported as common stocks on the balance sheet. Investment income or loss (including realized gains and losses on investments, interest, and dividends) is included in net investment income on the statement of operations. Changes in unrealized gains and losses on investments are included as a direct adjustment to capital and surplus.

Revenue Recognition and Accounts Receivable - Capitation revenue and subscriber premiums are recognized in the period that members are entitled to related health care services. A portion of the health care receivable is due from third-party payors for subscribers located within southeastern Michigan. No allowance for doubtful accounts is recorded in 2010 or 2009. Receivables greater than 90 days old are treated as non-admitted for statutory accounting purposes. Approximately \$674,000 and \$544,000 of receivables greater than 90 days old were non-admitted in 2010 and 2009, respectively. In 2009, the Company paid a quality assurance assessment fee based on a percentage of revenue. Revenue for 2009 is reported net of the fees, which totaled \$2,211,570. The quality assurance assessment fees ended March 31, 2009 and were replaced with a Use Tax which is included in General and Administrative Expenses.

Recognition of Medical and Hospital Expenses - Medical and hospital expenses and the related liabilities are recorded when eligible medical and hospital services are authorized or performed. Unpaid claims represent management's estimate of the ultimate cost to settle all claims incurred prior to year-end. Capitation retained for the settlement of risk-sharing is included in the accrued medical incentive pool liability at December 31, 2010 and 2009.

Physician Group Contracts - The Company contracts with physician groups for the provision of medical care and compensates the groups on a capitation basis. During 2007, the Company revised its physician group contracts. These contracts have a specialty claims incentive and pay-for-performance incentive. If the providers meet the incentives, they share in the savings and a payable is recorded. If the providers do not meet the incentives, they share in the excess costs and a health care receivable is recorded if deemed collectible by management. During 2010 and 2009, health care receivables and payables have been recorded from/to providers.

Hospital Group Contracts - The Company has contracts with several hospitals and other groups. These contracts are paid under capitated fees or various other charge arrangements.

Malpractice Claims - The Company has a claims-made policy for malpractice insurance. The Company's policy is to accrue for estimated costs of claims and incidents during the term of the claims-made policy.

Notes to Financial Statements

Employee Staffing and Purchased Services Agreement - The Company has an employee staffing and purchased services agreement with a limited liability company, which is responsible for payment of most of the management, operational, and administrative expenses. Ultimate operational control rests with the board of directors of Total Health Care, Inc.

Income Taxes - Total Health Care, Inc. has received federal income tax exemption under Internal Revenue Code Section 501(c)(4). The Company is also exempt from state and local income taxes.

Funds Maintained Under Statutory Requirements - The Company maintains segregated funds under statutory requirements to protect members and health care providers in the event the Company is unable to meet its contractual obligations. These funds can be used only at the direction of the insurance commissioner in accordance with statutory and contractual provisions. These funds are classified according to the nature of the investment. At December 31, 2010 and 2009, \$1,000,495 and \$1,000,000, respectively, was held in short-term certificates of deposit to fulfill these requirements. Interest earned on these funds can be utilized by the Company.

Use of Estimates - The preparation of financial statements in conformity with statutory accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

Certain significant estimates exist relating to unpaid claims. It is at least reasonably possible that these estimates will be materially revised in the near term.

A reconciliation of the Total Health Care’s net income and capital and surplus between NAIC SAP and practices prescribed and permitted by the State of Michigan is shown below:

	2010	2009
(1) Net Income - State Basis	(2,352,057)	(5,289,370)
(2) State Prescribed Practices (Income): Depreciation of fixed assets	0	0
(3) State Permitted Practices (Income): Depreciation, home office property	0	0
(4) Net Income, NAIC SAP	(2,352,057)	(5,289,370)
(5) Statutory Surplus State Basis	27,107,615	21,559,759
(6) State Prescribed Practices (Surplus): Goodwill, net Fixed Assets, net	0	0
(7) State Permitted Practices (Surplus): Home Office Property	0	0
(8) Statutory Surplus, NAIC SAP	27,107,615	21,559,759

Note 2 - Accounting Changes and Corrections of Errors

The Company prepares its statutory financial statements in conformity with accounting practices prescribed or permitted by the State of Michigan. Effective January 1, 2003, the State of Michigan required that health maintenance organizations domiciled in the state of Michigan prepare their statutory basis financial statements in accordance with the NAIC Accounting Practices and Procedures manual in effect on January 1, 2003 subject to any deviations prescribed or permitted by the State of Michigan insurance commissioner. There was no impact on the statutory financial statements as a result of the accounting changes.

Note 3 - Business Combinations and Goodwill

This note is not applicable to the Company.

Note 4 - Discontinued Operations

This note is not applicable to the Company.

Note 5 - Investments

Notes to Financial Statements

The Company does not have investments relating to mortgage loans, debt restructuring, reverse mortgages, loan-backed securities, repurchase agreement, or real estate.

Note 6 - Joint Ventures, Partnerships and Limited Liability Companies

The Company has no investments in joint ventures, partnerships, or limited liability companies.

Note 7 - Investment Income

The Company has no investment income due and accrued over 90 days past due.

Note 8 - Derivative Instruments

The Company does not invest in derivatives.

Note 9 - Income Taxes

This note is not applicable to the Company.

Note 10 - Information Concerning Parent, Subsidiaries, and Affiliates

The Company owns 100 percent of two subsidiaries: Total Health Care USA, Inc. and Total Health Choice, Inc. whose carrying values are equal to or exceed 10% of the total admitted assets of the company. The Company carries Total Health Care USA, Inc. and Total Health Choice, Inc. at the statutory net worth value of the subsidiary under the equity method and are reported as common stocks on the balance sheet.

On April 9, 2010, Total Health Choice, Inc. entered into an Asset Purchase Agreement with Simply Healthcare Plans, Inc (Simply) whereby substantially all Medicaid assets and Medicaid liabilities of Total Health Choice, Inc. were acquired by Simply. The commercial line of business of Total Health Choice, Inc. was not acquired by Simply and the Company is in the process of phasing out this activity as well. The Company is currently providing medical services for the open policies, but will not be renewing these policies going forward. Total Health Choice, Inc. has begun a commercial claims run-off which should extend through 2012.

The Company has an employee, office space, and equipment leasing agreement with Total Health Care USA, Inc. (USA). The agreement calls for the Company to provide personnel, office space, and supplies necessary to USA in order for USA to carry out its HMO business operations. The agreement calls for USA to pay the Company 14 percent of USA's gross revenue from the second preceding month after certain deductions. During 2010 and 2009, the Company received \$9,134,883 and \$7,032,826, respectively, from this agreement.

Total Health Care USA, Inc. has a statutory statement value of \$15,424,225 and \$8,306,337 at December 31, 2010 and 2009, respectively. Total Health Choice, Inc. has a statutory statement value of \$0 and \$0 at December 31, 2010 and 2009, respectively. The value of investments in Total Health Care USA, Inc. has been reduced by non-admitted assets totaling \$554,640 and \$567,409 at December 31, 2010 and 2009, respectively. The value of investments in Total Health Choice, Inc. has been reduced by non-admitted assets totaling \$0 and \$2,032,593 at December 31, 2010 and 2009, respectively.

The Company's share of net income (loss) of Total Health Care USA, Inc. was \$7,105,119 for the year ended 12/31/10.

At December 31, 2010 and 2009, the Company had amounts due to affiliates of \$0 and \$442,988, respectively. These amounts are a result of timing differences resulting from payments for the Affiliate from third parties that were made to the Company and had not been transferred to the affiliate by year end. At December 31, 2010 and 2009, the Company had amounts due from affiliates of \$67,954 and \$82,391, respectively resulting from costs paid by the Company on behalf of affiliates for operating expenses.

Items E, H and J-L do not apply to the Company.

Note 11 - Debt

This note is not applicable to the Company.

Notes to Financial Statements

Note 12 - Retirement Plans, Deferred Compensation, Postemployment Benefits and Compensated Absences, and Other Postretirement Benefit Plans

This note is not applicable to the Company.

Note 13 - Capital and Surplus, Stockholders' Divided Restrictions, and Quasi-reorganizations

The Company has no common or preferred stock outstanding. The Company has no surplus notes outstanding. Items 1-9 and 11-13 are not applicable to the Company.

The portion of unassigned funds (surplus) represented or increased (decreased) by unrealized gains (losses) is \$7,117,888 and (\$4,319,820) at December 31, 2010 and 2009, respectively. The portion of unassigned funds (surplus) represented by the change in nonadmitted asset value is \$782,025 and (\$772,057) at December 31, 2010 and 2009, respectively.

Note 14 - Contingencies

Various lawsuits against the Company have arisen in the course of the Company's business. Contingent liabilities arising from litigation and other matters are not considered material in relation to the financial position of the Company. No amounts have been accrued for losses as no losses are deemed probable or estimable. Estimated losses for claims-related matters are accrued as claims unpaid.

Note 15 - Leases

The Company leases office space and computer software services under various non-cancelable operating lease agreements that expire through December 2016. Rent payments are the responsibility of the management company and are included in the monthly payment under the employee staffing and purchased services agreement. Rent expense for 2010 and 2009 was approximately \$762,357 and \$1,694,205, respectively. The future minimum rental payments under the operating lease as of December 31, 2010 are as follows:

2011	888,076
2012	972,140
2013	1,013,387
2014	1,053,985
2015	974,340
Thereafter	<u>84,578</u>
Total	<u>\$ 4,986,506</u>

Note 16 - Information about Financial Instruments with Off-balance-sheet Risk and Financial Instruments with Concentrations of Credit Risk

This note is not applicable to the Company.

Note 17 - Sale, Transfer and Servicing of Financial Assets and Extinguishments of Liabilities

This note is not applicable to the Company.

Note 18 - Gain or Loss to the Reporting Entity from Uninsured Plans and the Uninsured Portion of Partially Insured Plans

This note is not applicable to the Company.

Note 19 - Direct Premium Written/Produced by Managing General Agents/Third-party Administrators

This note is not applicable to the Company.

Note 20 – Fair Value Measurements

The following table presents information about the Company’s assets and liabilities measured

Notes to Financial Statements

at fair value at December 31, 2010, and the valuation techniques used by the Company to determine those fair values.

In general, fair values determined by Level 1 inputs use quoted prices in active markets for identical assets or liabilities that the Company has the ability to access.

Fair values determined by Level 2 inputs use other inputs that are observable, either directly or indirectly. These Level 2 inputs include quoted prices for similar assets and liabilities in active markets, and other inputs such as interest rates and yield curves that are observable at commonly quoted intervals.

Level 3 inputs are unobservable inputs, including inputs that are available in situations where there is little, if any, market activity for the related asset or liability.

In instances where inputs used to measure fair value fall into different levels in the above fair value hierarchy, fair value measurements in their entirety are categorized based in the lowest level input that is significant to the valuation. The Company’s assessment of the significance of particular inputs to these fair value measurements requires judgment and considers factors specific to each asset or liability.

Fair Value Measurements at Reporting Date

Description		Level 1	Level 2	Level 3	Total
Assets at fair value					
Money Market					
Funds -	Industrial and misc.	6,714,228			6,714,228
Total assets at fair value		6,714,228			6,714,228

Note 21 - Other Items

At December 31, 2010 and 2009, the Company had admitted assets of \$2,577,092 and \$4,097,974, respectively, in accounts receivable for amounts due from subscribers, governmental entities, and other health care providers. During 2010 and 2009, the Company routinely assessed the collectability of these receivables and directly wrote off any uncollectible receivables accordingly. Receivables not expected to be collected within 90 days were considered non-admitted.

The Company did not have activity relating to extraordinary items or events, troubled debt restructuring, multiple peril crop insurance, mezzanine real estate loans, subprime mortgage related risk exposure, hybrid securities, hedge funds, credit default swaps or special investment vehicles during 2010 and 2009.

The Companies wholly-owned subsidiaries have no activity related to subprime related risk exposure.

Note 22 - Events Subsequent

No unusual or material events have occurred subsequent to year-end.

Note 23 - Reinsurance

A. Ceded Reinsurance Report

Section 1

- 1) Total Health Care, Inc. does not have any ownership, directly or indirectly, in any Schedule S non-affiliated company.
- 2) The company does not have reinsurance policies with any companies chartered in a foreign country.

Section 2

- 1) The company does not have any reinsurance agreements which may be unilaterally cancelled for reasons other than nonpayment of premiums.

Notes to Financial Statements

2) The company had reinsurance recoverable of \$73,106 and \$88,291 recorded at December 31, 2010 or 2009. The estimated reduction in surplus is zero

Section 3

- 1) The estimated reduction in surplus is zero.
- 2) The Company has a new agreement with Star Line Group effective November 2010. The reinsurance policy provides the same coverage's on an annual per member basis after a \$220,000 deductible is reached. The maximum lifetime reinsurance indemnity payable under each agreement is \$2,000,000 per member.

B. Uncollectible Reinsurance

Total Health Care, Inc. did not write off any reinsurance during the year 2010 or 2009.

C. Commutation of Ceded Reinsurance

Total Health Care, Inc. did not have any commutation of reinsurance during the year 2010 or 2009.

Note 24 - Retrospectively Rated Contracts and Contracts Subject to Redetermination

This note is not applicable to the Company.

Note 25 - Change in Incurred Losses

The estimated reserve for claims payable, including known and unsettled claims, is determined by the Company. The method of making such estimates and for establishing the resulting reserves is continually reviewed and updated and any adjustments resulting there from are reflected in expense currently. The estimated reserve for claims incurred but not reported has been determined by an enrolled actuary.

Although management believes that the provision for unpaid claims is adequate, no assurance can be given that the ultimate settlement of these liabilities may not be greater or less than such estimates. Any future adjustments to these amounts will affect the reported results of future periods.

Activity in the liability for medical claims, accrued medical incentive pools, and unpaid claims adjustment expense is summarized as follows:

	2010	2009
Balance - Beginning of year	\$ 17,914,733	\$ 14,115,143
Incurred (Recovered) Related to		
Current year	153,870,600	156,952,201
Prior years	(299,671)	2,262,008
Total incurred	153,570,929	159,214,209
Paid Related to		
Current year	136,979,232	140,229,836
Prior years	16,179,848	15,184,783
Total paid	153,159,080	155,414,619
Reserve for Claims - End of year	\$ 18,326,582	\$ 17,914,733

The 2010 and 2009 amounts incurred relating to prior years increased (decreased) due to claims settling for more or less than originally estimated.

Note 26 - Intercompany Pooling Arrangements

This note is not applicable to the Company.

Note 27 - Structured Settlements

This note is not applicable to the Company.

Notes to Financial Statements

Note 28 - Health Care Receivables

The Company reports risk-sharing receivables and payables related to global capitation and specialty claims arrangements based upon the terms of its contracts.

Pharmaceutical rebates receivable at December 31, 2010 and 2009 were \$0 and \$181,062, respectively. Rebates are netted with pharmacy expense. During 2010 and 2009, pharmacy rebates in the amount of \$1,028,390 and \$563,690, respectively, were collected.

Health care receivables include the following amounts related to Pharmaceutical rebates receivables:

Quarter	Estimated Pharmacy Rebates as Reported on Financial Statements	Pharmacy Rebates as Invoiced/ Confirmed	Actual Rebates Collected Within 90 Days of Invoicing/ Confirmation	Actual Rebates Collected Within 91 to 180 Days of Invoicing/ Confirmation	Actual Rebates Collected More Than 180 Days After Invoicing/ Confirmation
12/31/10	0	0	0	0	0
9/30/10	0	0	0	0	0
6/30/10	0	0	0	0	0
3/31/10	183,703	183,703	0	0	96,754
12/31/09	0	181,062	0	0	160261
9/30/09	0	189,747	0	0	189747
6/30/09	0	186,514	0	0	186514
3/31/09	0	205,594	0	0	205,594
12/31/08	0	176,480	0	0	176,480
9/30/08	0	126,087	0	0	126,087
6/30/08	0	125,510	0	0	125,510
3/31/08	0	124,939	0	0	124,939

Health care receivables include the following amounts related to specialty pool receivables:

	<u>Evaluation Period Year Ending</u>	<u>Risk-sharing Receivable as Estimated in the Prior Year</u>	<u>Risk-sharing Receivable as Estimated in the Current Year</u>	<u>Risk-sharing Receivable Billed</u>	<u>Risk-sharing Receivable Not Yet Billed</u>	<u>Actual Risk-sharing Amounts Received in Year Billed</u>	<u>Actual Risk-sharing Amounts Received First Year Subsequent</u>
2010	2010 2011	\$743,950 -	\$ 354,368 1,070,055	\$1,098,318 -	\$ - 1,070,055	\$- -	\$ - -
2009	2009 2010	585,454 -	112,514 743,950	697,968 -	- 743,950	697,968 -	- -
2008	2008 2009	463,733 -	180,342 585,454	644,075 -	- 585,454	611,296 -	32,779 -

Note 29 - Participating Policies

This note is not applicable to the Company.

Note 30 - Premium Deficiency Reserves

This note is not applicable to the Company.

Note 31 - Anticipated Salvage and Subrogation

Notes to Financial Statements

Loss reserves have not been reduced for any salvage or subrogation. During 2010 and 2009, the Company received subrogation totaling \$41,198 and \$95,459, respectively.

GENERAL INTERROGATORIES
PART 1 - COMMON INTERROGATORIES
GENERAL

- 1.1 Is the reporting entity a member of an Insurance Holding Company System consisting of two or more affiliated persons, one or more of which is an insurer?

Yes[X] No[]
- 1.2 If yes, did the reporting entity register and file with its domiciliary State Insurance Commissioner, Director or Superintendent or with such regulatory official of the state of domicile of the principal insurer in the Holding Company System, a registration statement providing disclosure substantially similar to the standards adopted by the National Association of Insurance Commissioners (NAIC) in its Model Insurance Holding Company System Regulatory Act and model regulations pertaining thereto, or is the reporting entity subject to standards and disclosure requirements substantially similar to those required by such Act and regulations?

Yes[X] No[] N/A[]
Michigan
- 1.3 State Regulating?
- 2.1 Has any change been made during the year of this statement in the charter, by-laws, articles of incorporation, or deed of settlement of the reporting entity?

Yes[] No[X]
- 2.2 If yes, date of change:
- 3.1 State as of what date the latest financial examination of the reporting entity was made or is being made.

12/31/2009
- 3.2 State the as of date that the latest financial examination report became available from either the state of domicile or the reporting entity. This date should be the date of the examined balance sheet and not the date the report was completed or released.

12/31/2005
- 3.3 State as of what date the latest financial examination report became available to other states or the public from either the state of domicile or the reporting entity. This is the release date or completion date of the examination report and not the date of the examination (balance sheet date).

08/02/2007
- 3.4 By what department or departments?
MICHIGAN OFFICE OF FINANCIAL AND INSURANCE REGULATION
- 3.5 Have all financial statement adjustments within the latest financial examination report been accounted for in a subsequent financial statement filed with departments?

Yes[X] No[] N/A[]
- 3.6 Have all of the recommendations within the latest financial examination report been complied with?

Yes[X] No[] N/A[]
- 4.1 During the period covered by this statement, did any agent, broker, sales representative, non-affiliated sales/service organization or any combination thereof under common control (other than salaried employees of the reporting entity) receive credit or commissions for or control a substantial part (more than 20 percent of any major line of business measured on direct premiums) of:
- 4.11 sales of new business?

Yes[] No[X]
- 4.12 renewals?

Yes[] No[X]
- 4.2 During the period covered by this statement, did any sales/service organization owned in whole or in part by the reporting entity or an affiliate, receive credit or commissions for or control a substantial part (more than 20 percent of any major line of business measured on direct premiums) of:
- 4.21 sales of new business?

Yes[] No[X]
- 4.22 renewals?

Yes[] No[X]
- 5.1 Has the reporting entity been a party to a merger or consolidation during the period covered by this statement?

Yes[] No[X]
- 5.2 If yes, provide the name of the entity, NAIC company code, and state of domicile (use two letter state abbreviation) for any entity that has ceased to exist as a result of the merger or consolidation.

1 Name of Entity	2 NAIC Company Code	3 State of Domicile

- 6.1 Has the reporting entity had any Certificates of Authority, licenses or registrations (including corporate registration, if applicable) suspended or revoked by any governmental entity during the reporting period?

Yes[] No[X]
- 6.2 If yes, give full information:
- 7.1 Does any foreign (non-United States) person or entity directly or indirectly control 10% or more of the reporting entity?

Yes[] No[X]
- 7.2 If yes,
- 7.21 State the percentage of foreign control

0.000%
- 7.22 State the nationality(s) of the foreign person(s) or entity(s); or if the entity is a mutual or reciprocal, the nationality of its manager or attorney-in-fact and identify the type of entity(s) (e.g., individual, corporation, government, manager or attorney-in-fact)

1 Nationality	2 Type of Entity
N/A	

- 8.1 Is the company a subsidiary of a bank holding company regulated by the Federal Reserve Board?

Yes[] No[X]
- 8.2 If response to 8.1 is yes, please identify the name of the bank holding company.
- 8.3 Is the company affiliated with one or more banks, thrifts or securities firms?

Yes[] No[X]
- 8.4 If response to 8.3 is yes, please provide the names and location (city and state of the main office) of any affiliates regulated by a federal financial regulatory services agency [i.e., the Federal Reserve Board (FRB), the Office of the Comptroller of the Currency (OCC), the Office of Thrift Supervision (OTS), the Federal Deposit Insurance Corporation (FDIC) and the Securities Exchange Commission (SEC) and identify the affiliate's primary federal regulator.

1 Affiliate Name	2 Location (City, State)	3 FRB	4 OCC	5 OTS	6 FDIC	7 SEC
N/A		Yes[] No[X]	Yes[] No[X]	Yes[] No[X]	Yes[] No[X]	Yes[] No[X]

9. What is the name and address of the independent certified public accountant or accounting firm retained to conduct the annual audit?
PLANTE & MORAN, PLLC 2601 CAMBRIDGE COURT, SUITE 500, AUBURN HILLS, MI 48326
- 10.1 Has the insurer been granted any exemptions to the prohibited non-audit services provided by the certified independent public accountant requirements as allowed in Section 7H of the Annual Financial Reporting Model Regulation (Model Audit Rule), or substantially similar state law or regulation?

Yes[] No[X]
- 10.2 If response to 10.1 is "yes," provide information related to this exemption:
- 10.3 Has the insurer been granted any exemptions to the audit committee requirements as allowed in Section 14H of the Annual Financial Reporting Model Regulation, or substantially similar state law or regulation?

Yes[] No[X]
- 10.4 If response to 10.3 is "yes," provide information related to this exemption:
- 10.5 Has the insurer been granted any exemptions related to the other requirements of the Annual Financial Reporting Model Regulation as allowed for in Section 17A of the Model Regulation, or substantially similar state law or regulation?

Yes[] No[X]
- 10.6 If response to 10.5 is "yes," provide information related to this exemption:
- 10.7 Has the reporting entity established an Audit Committee in compliance with the domiciliary state insurance laws?

Yes[X] No[] N/A[]
- 10.8 If the answer to 10.7 is "NO" or "N/A" please explain:

GENERAL INTERROGATORIES (Continued)

11. What is the name, address and affiliation (officer/employee of the reporting entity or actuary/consultant associated with an actuarial consulting firm) of the individual providing the statement of actuarial opinion/certification?
GREG FANN, WAKELY CONSULTING GROUP, 19321 US HIGHWAY 19 N, SUITE 515, CLEARWATER, FL 33764

12.1 Does the reporting entity own any securities of a real estate holding company or otherwise hold real estate indirectly?
12.11 Name of real estate holding company
12.12 Number of parcels involved
12.13 Total book/adjusted carrying value
12.2 If yes, provide explanation

Yes[] No[X]

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13. FOR UNITED STATES BRANCHES OF ALIEN REPORTING ENTITIES ONLY:
13.1 What changes have been made during the year in the United States manager or the United States trustees of the reporting entity?
13.2 Does this statement contain all business transacted for the reporting entity through its United States Branch on risks wherever located?
13.3 Have there been any changes made to any of the trust indentures during the year?
13.4 If answer to (13.3) is yes, has the domiciliary or entry state approved the changes?

Yes[] No[] N/A[X]
Yes[] No[] N/A[X]
Yes[] No[] N/A[X]

14.1 Are the senior officers (principal executive officer, principal financial officer, principal accounting officer or controller, or persons performing similar functions) of the reporting entity subject to a code of ethics, which includes the following standards?
a. Honest and ethical conduct, including the ethical handling of actual or apparent conflicts of interest between personal and professional relationships;
b. Full, fair, accurate, timely and understandable disclosure in the periodic reports required to be filed by the reporting entity;
c. Compliance with applicable governmental laws, rules and regulations;
d. The prompt internal reporting of violations to an appropriate person or persons identified in the code; and
e. Accountability for adherence to the code.
14.11 If the response to 14.1 is no, please explain:
14.2 Has the code of ethics for senior managers been amended?
14.21 If the response to 14.2 is yes, provide information related to amendment(s).
14.3 Have any provisions of the code of ethics been waived for any of the specified officers?
14.31 If the response to 14.3 is yes, provide the nature of any waiver(s).

Yes[X] No[]

Yes[] No[X]
Yes[] No[X]

BOARD OF DIRECTORS

15. Is the purchase or sale of all investments of the reporting entity passed upon either by the Board of Directors or a subordinate committee thereof?

Yes[X] No[]

16. Does the reporting entity keep a complete permanent record of the proceedings of its Board of Directors and all subordinate committees thereof?

Yes[X] No[]

17. Has the reporting entity an established procedure for disclosure to its board of directors or trustees of any material interest or affiliation on the part of any of its officers, directors, trustees or responsible employees that is in conflict or is likely to conflict with the official duties of such person?

Yes[X] No[]

FINANCIAL

18. Has this statement been prepared using a basis of accounting other than Statutory Accounting Principles (e.g., Generally Accepted Accounting Principles)?

Yes[] No[X]

19.1 Total amount loaned during the year (inclusive of Separate Accounts, exclusive of policy loans):
19.11 To directors or other officers
19.12 To stockholders not officers
19.13 Trustees, supreme or grand (Fraternal only)
19.2 Total amount of loans outstanding at end of year (inclusive of Separate Accounts, exclusive of policy loans):
19.21 To directors or other officers
19.22 To stockholders not officers
19.23 Trustees, supreme or grand (Fraternal only)

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20.1 Were any assets reported in this statement subject to a contractual obligation to transfer to another party without the liability for such obligation being reported in the statement?
20.2 If yes, state the amount thereof at December 31 of the current year:
20.21 Rented from others
20.22 Borrowed from others
20.23 Leased from others
20.24 Other

Yes[] No[X]

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21.1 Does this statement include payments for assessments as described in the Annual Statement Instructions other than guaranty fund or guaranty association assessments?
21.2 If answer is yes:
21.21 Amount paid as losses or risk adjustment
21.22 Amount paid as expenses
21.23 Other amounts paid

Yes[] No[X]

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22.1 Does the reporting entity report any amounts due from parent, subsidiaries or affiliates on Page 2 of this statement?
22.2 If yes, indicate any amounts receivable from parent included in the Page 2 amount:

Yes[X] No[]
\$.....67,954

INVESTMENT

23.1 Were all the stocks, bonds and other securities owned December 31 of current year, over which the reporting entity has exclusive control, in the actual possession of the reporting entity on said date? (other than securities lending programs addressed in 23.3)
23.2 If no, give full and complete information, relating thereto:
23.3 For security lending programs, provide a description of the program including value for collateral and amount of loaned securities, and whether collateral is carried on or off-balance sheet, (an alternative is to reference Note 17 where this information is also provided)
23.4 Does the Company's security lending program meet the requirements for a conforming program as outlined in the Risk-Based Capital Instructions?
23.5 If answer to 23.4 is yes, report amount of collateral for conforming programs.
23.6 If answer to 23.4 is no, report amount of collateral for other programs.
23.7 Does your securities lending program require 102% (domestic securities) and 105% (foreign securities) from the counterparty at the outset of the contract?
23.8 Does the reporting entity non-admit when the collateral received from the counterparty falls below 100%?
23.9 Does the reporting entity or the reporting entity's securities lending agent utilize the Master Securities lending Agreement (MSLA) to conduct securities lending?

Yes[X] No[]

Yes[] No[] N/A[X]
\$.....0
\$.....0

Yes[] No[] N/A[X]
Yes[] No[] N/A[X]

Yes[] No[] N/A[X]

24.1 Were any of the stocks, bonds or other assets of the reporting entity owned at December 31 of the current year not exclusively under the control of the reporting entity, or has the reporting entity sold or transferred any assets subject to a put option contract that is currently in force? (Exclude securities subject to Interrogatory 20.1 and 23.3).
24.2 If yes, state the amount thereof at December 31 of the current year:
24.21 Subject to repurchase agreements
24.22 Subject to reverse repurchase agreements
24.23 Subject to dollar repurchase agreements
24.24 Subject to reverse dollar repurchase agreements
24.25 Pledged as collateral
24.26 Placed under option agreements

Yes[X] No[]

\$

.....

0

\$

.....

0

\$

.....

0

\$

.....

0

\$

.....

0

\$

.....

0

\$

.....

0

26.1

GENERAL INTERROGATORIES (Continued)

24.27 Letter stock or securities restricted as to sale
24.28 On deposit with state or other regulatory body
24.29 Other

\$ 0
\$ 1,000,495
\$ 0

24.3 For category (24.27) provide the following:

1	2	3
Nature of Restriction	Description	Amount
.....

25.1 Does the reporting entity have any hedging transactions reported on Schedule DB?
25.2 If yes, has a comprehensive description of the hedging program been made available to the domiciliary state?
If no, attach a description with this statement.

Yes[] No[X]
Yes[] No[] N/A[X]

26.1 Were any preferred stocks or bonds owned as of December 31 of the current year mandatorily convertible into equity, or, at the option of the issuer, convertible into equity?
26.2 If yes, state the amount thereof at December 31 of the current year.

Yes[] No[X]
\$ 0

27. Excluding items in Schedule E - Part 3 - Special Deposits, real estate, mortgage loans and investments held physically in the reporting entity's offices, vaults or safety deposit boxes, were all stocks, bonds and other securities, owned throughout the current year held pursuant to a custodial agreement with a qualified bank or trust company in accordance with Section I, III - General Examination Considerations, F. Outsourcing of Critical Functions, Custodial or Safekeeping Agreements of the NAIC Financial Condition Examiners Handbook?
27.01 For agreements that comply with the requirements of the NAIC Financial Condition Examiners Handbook, complete the following:

Yes[X] No[]

1	2
Name of Custodian(s)	Custodian's Address
COMERICA BANK - LYNN HUTZEL-UISEL	P.O. BOX 75000, DETROIT, MI 48275-3462
US BANK - LESLEY KOGER	535 GRISWOLD ST., STE. 550, DETROIT, MI 48226

27.02 For all agreements that do not comply with the requirements of the NAIC Financial Condition Examiners Handbook, provide the name, location and a complete explanation:

1	2	3
Name(s)	Location(s)	Complete Explanation(s)
N/A

27.03 Have there been any changes, including name changes, in the custodian(s) identified in 27.01 during the current year?
27.04 If yes, give full and complete information relating thereto:

Yes[] No[X]

1	2	3	4
Old Custodian	New Custodian	Date of Change	Reason
.....

27.05 Identify all investment advisers, broker/dealers or individuals acting on behalf of broker/dealers that have access to the investment accounts, handle securities and have authority to make investments on behalf of the reporting entity:

1	2	3
Central Registration Depository Number(s)	Name	Address
N/A

28.1 Does the reporting entity have any diversified mutual funds reported in Schedule D, Part 2 (diversified according to the Securities and Exchange Commission (SEC) in the Investment Company Act of 1940 [Section 5 (b)(1)])?
28.2 If yes, complete the following schedule:

Yes[] No[X]

1	2	3
CUSIP #	Name of Mutual Fund	Book/Adjusted Carrying Value
.....	N/A .....	.....
28.2999 Total .....	.....	.....

28.3 For each mutual fund listed in the table above, complete the following schedule:

1	2	3	4
Name of Mutual Fund (from above table)	Name of Significant Holding of the Mutual Fund	Amount of Mutual Fund's Book/Adjusted Carrying Value Attributable to the Holding	Date of Valuation
N/A

29. Provide the following information for all short-term and long-term bonds and all preferred stocks. Do not substitute amortized value or statement value for fair value.

GENERAL INTERROGATORIES (Continued)

		1	2	3
		Statement (Admitted) Value	Fair Value	Excess of Statement over Fair Value (-), or Fair Value over Statement (+)
29.1	Bonds	1,242,358	1,242,358	.....
29.2	Preferred stocks .....			.....
29.3	Totals	1,242,358	1,242,358	.....

29.4 Describe the sources or methods utilized in determining the fair values
BANK STATEMENTS

- 30.1 Was the rate used to calculate fair value determined by a broker or custodian for any of the securities in Schedule D?

Yes[X] No[]
- 30.2 If the answer to 30.1 is yes, does the reporting entity have a copy of the broker's or custodian's pricing policy (hard copy or electronic copy) for all brokers or custodians used as a pricing source?

Yes[X] No[] N/A[]
- 30.3 If the answer to 30.2 is no, describe the reporting entity's process for determining a reliable pricing source for purposes of disclosure of fair value for Schedule D:
- 31.1 Have all the filing requirements of the Purposes and Procedures Manual of the NAIC Securities Valuation Office been followed?

Yes[] No[X]
- 31.2 If no, list exceptions:

NOT REQUIRED BY STATE OF DOMICILE

OTHER

- 32.1 Amount of payments to Trade Associations, Service Organizations and Statistical or Rating Bureaus, if any?

\$..... 0
- 32.2 List the name of the organization and the amount paid if any such payment represented 25% or more of the total payments to Trade Associations, Service Organizations and Statistical or Rating Bureaus during the period covered by this statement.

1	2
Name	Amount Paid
.....

- 33.1 Amount of payments for legal expenses, if any?

\$..... 22,346
- 33.2 List the name of the firm and the amount paid if any such payments represented 25% or more of the total payments for legal expenses during the period covered by this statement.

1	2
Name	Amount Paid
NUYGEN, TOMTISHEN AND AOUN, P.C.	10,907

- 34.1 Amount of payments for expenditures in connection with matters before legislative bodies, officers or department of government, if any?

\$..... 0
- 34.2 List the name of firm and the amount paid if any such payment represented 25% or more of the total payment expenditures in connection with matters before legislative bodies officers or department of government during the period covered by this statement.

1	2
Name	Amount Paid
.....

GENERAL INTERROGATORIES (Continued)

PART 2 - HEALTH INTERROGATORIES

1.1 Does the reporting entity have any direct Medicare Supplement Insurance in force?

Yes[] No[X]

1.2 If yes, indicate premium earned on U.S. business only:

\$ 0

1.3 What portion of Item (1.2) is not reported on the Medicare Supplement Insurance Experience Exhibit?

\$ 0

1.31 Reason for excluding:

1.4 Indicate amount of earned premium attributable to Canadian and/or Other Alien not included in Item (1.2) above.

\$ 0

1.5 Indicate total incurred claims on all Medicare Supplement insurance.

\$ 0

1.6 Individual policies - Most current three years:

1.61 Total premium earned

\$ 0

1.62 Total incurred claims

\$ 0

1.63 Number of covered lives

..... 0

All years prior to most current three years:

1.64 Total premium earned

\$ 0

1.65 Total incurred claims

\$ 0

1.66 Number of covered lives

..... 0

1.7 Group policies - Most current three years:

1.71 Total premium earned

\$ 0

1.72 Total incurred claims

\$ 0

1.73 Number of covered lives

..... 0

All years prior to most current three years:

1.74 Total premium earned

\$ 0

1.75 Total incurred claims

\$ 0

1.76 Number of covered lives

..... 0

2. Health Test

		1	2
		Current Year	Prior Year
2.1	Premium Numerator .....	..... 180,351,518	..... 182,505,790
2.2	Premium Denominator .....	..... 180,351,518	..... 182,505,790
2.3	Premium Ratio (2.1 / 2.2) .....	..... 1.000	..... 1.000
2.4	Reserve Numerator .....	..... 17,950,575	..... 14,898,296
2.5	Reserve Denominator .....	..... 17,950,575	..... 17,541,789
2.6	Reserve Ratio (2.4 / 2.5) .....	..... 1.000	..... 0.849

3.1 Has the reporting entity received any endowment or gift from contracting hospitals, physicians, dentists, or others that is agreed will be returned when, as and if the earnings of the reporting entity permits?

Yes[] No[X]

3.2 If yes, give particulars:

4.1 Have copies of all agreements stating the period and nature of hospitals', physicians', and dentists' care offered to subscribers and dependents been filed with the appropriate regulatory agency?

Yes[X] No[]

4.2 If not previously filed furnish herewith a copy(ies) of such agreement(s). Do these agreements include additional benefits offered?

Yes[] No[] N/A[X]

5.1 Does the reporting entity have stop-loss reinsurance?

Yes[X] No[]

5.2 If no, explain:

5.3 Maximum retained risk (see instructions):

5.31 Comprehensive Medical

\$ 273,000

5.32 Medical Only

\$ 0

5.33 Medicare Supplement

\$ 0

5.34 Dental & Vision

\$ 0

5.35 Other Limited Benefit Plan

\$ 0

5.36 Other

\$ 0

6. Describe arrangement which the reporting entity may have to protect subscribers and their dependents against the risk of insolvency including hold harmless provisions, conversion privileges with other carriers, agreements with providers to continue rendering services, and any other agreements:
CATASTROPHIC INSURANCE, LOOK SOLEY LANGUAGE IN CONTRACTS, INSOLVENCY INSURANCE

7.1 Does the reporting entity set up its claim liability for provider services on a service date base?

Yes[X] No[]

7.2 If no, give details:

8. Provide the following information regarding participating providers:

8.1 Number of providers at start of reporting year

..... 1,730

8.2 Number of providers at end of reporting year

..... 2,100

9.1 Does the reporting entity have business subject to premium rate guarantees?

Yes[] No[X]

9.2 If yes, direct premium earned:

9.21 Business with rate guarantees between 15-36 months

..... 0

9.22 Business with rate guarantees over 36 months

..... 0

10.1 Does the reporting entity have Incentive Pool, Withhold or Bonus Arrangements in its provider contracts?

Yes[X] No[]

10.2 If yes:

10.21 Maximum amount payable bonuses

\$ 1,235,377

10.22 Amount actually paid for year bonuses

\$ 1,029,674

10.23 Maximum amount payable withholds

..... 0

10.24 Amount actually paid for year withholds

\$ 0

11.1 Is the reporting entity organized as:

11.12 A Medical Group/Staff Model,

Yes[] No[X]

11.13 An Individual Practice Association (IPA), or,

Yes[] No[X]

11.14 A Mixed Model (combination of above)?

Yes[] No[X]

11.2 Is the reporting entity subject to Minimum Net Worth Requirements?

Yes[X] No[]

11.3 If yes, show the name of the state requiring such net worth.
MICHIGAN

11.4 If yes, show the amount required.

\$ 15,590,818

11.5 Is this amount included as part of a contingency reserve in stockholder's equity?

Yes[] No[X]

11.6 If the amount is calculated, show the calculation.
Calculation is based on 200% RBC. See RBC calculation.

12. List service areas in which the reporting entity is licensed to operate:

1
Name of Service Area
WAYNE COUNTY
OAKLAND COUNTY
MACOMB COUNTY
GENESEE COUNTY

13.1 Do you act as a custodian for health savings accounts?

Yes[] No[X]

13.2 If yes, please provide the amount of custodial funds held as of the reporting date:

\$ 0

13.3 Do you act as an administrator for health savings accounts?

Yes[] No[X]

GENERAL INTERROGATORIES (Continued)

13.4 If yes, please provide the balance of the funds administered as of the reporting date:

\$..... 0

FIVE-YEAR HISTORICAL DATA

	1 2010	2 2009	3 2008	4 2007	5 2006
BALANCE SHEET (Pages 2 and 3)					
1. TOTAL Admitted Assets (Page 2, Line 28)	45,537,286	39,809,530	46,099,563	53,176,515	36,946,909
2. TOTAL Liabilities (Page 3, Line 24)	18,429,671	18,249,771	14,158,557	21,816,523	16,232,906
3. Statutory surplus	15,590,818	15,047,746	16,827,062	14,746,796	12,525,952
4. TOTAL Capital and Surplus (Page 3, Line 33)	27,107,615	21,559,759	31,941,006	31,359,992	20,714,003
INCOME STATEMENT (Page 4)					
5. TOTAL Revenues (Line 8)	180,351,518	179,994,220	157,605,730	153,162,384	115,233,802
6. TOTAL Medical and Hospital Expenses (Line 18)	153,567,864	159,139,741	135,320,622	129,192,335	95,623,537
7. Claims adjustment expenses (Line 20)	367,718	365,754	343,429	366,007	336,519
8. TOTAL Administrative Expenses (Line 21)	28,832,539	25,925,847	17,044,505	17,874,644	16,439,868
9. Net underwriting gain (loss) (Line 24)	(2,416,603)	(5,437,122)	4,897,174	5,729,398	2,833,878
10. Net investment gain (loss) (Line 27)	64,546	147,752	851,782	1,702,124	1,194,697
11. TOTAL Other Income (Lines 28 plus 29)					
12. Net income or (loss) (Line 32)	(2,352,057)	(5,289,370)	5,748,956	7,431,522	4,028,575
Cash Flow (Page 6)					
13. Net cash from operations (Line 11)	(1,152,526)	(2,815,117)	(5,169,623)	10,375,728	9,175,113
RISK-BASED CAPITAL ANALYSIS					
14. TOTAL Adjusted Capital	27,107,615	21,559,759	31,941,006	31,359,992	20,714,003
15. Authorized control level risk-based capital	7,795,409	7,523,873	8,413,531	7,373,398	6,262,976
ENROLLMENT (Exhibit 1)					
16. TOTAL Members at End of Period (Column 5, Line 7)	52,710	54,862	53,566	54,551	54,270
17. TOTAL Members Months (Column 6, Line 7)	647,088	647,906	646,821	666,466	636,790
OPERATING PERCENTAGE (Page 4)					
(Item divided by Page 4, sum of Lines 2, 3 and 5) x 100.0					
18. Premiums earned plus risk revenue (Line 2 plus Lines 3 and 5)	100.0	100.0	100.0	100.0	100.0
19. TOTAL Hospital and Medical plus other non-health (Lines 18 plus Line 19)	85.1	87.2	81.1	79.3	77.9
20. Cost containment expenses	0.2	0.2	0.2	0.2	0.3
21. Other claims adjustment expenses					
22. TOTAL Underwriting Deductions (Line 23)	101.3	101.6	91.6	90.5	91.6
23. TOTAL Underwriting Gain (Loss) (Line 24)	(1.3)	(3.0)	2.9	3.5	2.3
UNPAID CLAIMS ANALYSIS					
(U&I Exhibit, Part 2B)					
24. TOTAL Claims Incurred for Prior Years (Line 13, Column 5)	17,405,347	15,384,783	11,488,557	12,903,991	10,180,207
25. Estimated liability of unpaid claims-[prior year (Line 13, Column 6)]	17,541,789	13,816,667	21,514,739	15,218,764	11,597,436
INVESTMENTS IN PARENT, SUBSIDIARIES AND AFFILIATES					
26. Affiliated bonds (Sch. D Summary, Line 12, Column 1)					
27. Affiliated preferred stocks (Sch. D Summary, Line 18, Column 1)					
28. Affiliated common stocks (Sch. D Summary, Line 24, Column 1)	15,424,225	8,306,337	12,626,158	16,183,788	9,555,711
29. Affiliated short-term investments (subtotal included in Sch. DA Verification, Col. 5, Line 10)					
30. Affiliated mortgage loans on real estate					
31. All other affiliated					
32. TOTAL of Above Lines 26 to 31	15,424,225	8,306,337	12,626,158	16,183,788	9,555,711

NOTE: If a party to a merger, have the two most recent years of this exhibit been restated due to a merger in compliance with the disclosure requirements of SSAP No. 3, Accounting Changes and Correction of Errors? Yes[] No[] N/A[X]

If no, please explain::

SCHEDULE T - PREMIUMS AND OTHER CONSIDERATIONS
ALLOCATED BY STATES AND TERRITORIES

		1	Direct Business Only							
			2	3	4	5	6	7	8	9
State, Etc.		Active Status	Accident & Health Premiums	Medicare Title XVIII	Medicaid Title XIX	Federal Employees Health Benefits Program Premiums	Life & Annuity Premiums & Other Considerations	Property/ Casualty Premiums	Total Columns 2 Through 7	Deposit - Type Contracts
1.	Alabama (AL)	N								
2.	Alaska (AK)	N								
3.	Arizona (AZ)	N								
4.	Arkansas (AR)	N								
5.	California (CA)	N								
6.	Colorado (CO)	N								
7.	Connecticut (CT)	N								
8.	Delaware (DE)	N								
9.	District of Columbia (DC)	N								
10.	Florida (FL)	N								
11.	Georgia (GA)	N								
12.	Hawaii (HI)	N								
13.	Idaho (ID)	N								
14.	Illinois (IL)	N								
15.	Indiana (IN)	N								
16.	Iowa (IA)	N								
17.	Kansas (KS)	N								
18.	Kentucky (KY)	N								
19.	Louisiana (LA)	N								
20.	Maine (ME)	N								
21.	Maryland (MD)	N								
22.	Massachusetts (MA)	N								
23.	Michigan (MI)	L	215,038		180,303,005				180,518,043	
24.	Minnesota (MN)	N								
25.	Mississippi (MS)	N								
26.	Missouri (MO)	N								
27.	Montana (MT)	N								
28.	Nebraska (NE)	N								
29.	Nevada (NV)	N								
30.	New Hampshire (NH)	N								
31.	New Jersey (NJ)	N								
32.	New Mexico (NM)	N								
33.	New York (NY)	N								
34.	North Carolina (NC)	N								
35.	North Dakota (ND)	N								
36.	Ohio (OH)	N								
37.	Oklahoma (OK)	N								
38.	Oregon (OR)	N								
39.	Pennsylvania (PA)	N								
40.	Rhode Island (RI)	N								
41.	South Carolina (SC)	N								
42.	South Dakota (SD)	N								
43.	Tennessee (TN)	N								
44.	Texas (TX)	N								
45.	Utah (UT)	N								
46.	Vermont (VT)	N								
47.	Virginia (VA)	N								
48.	Washington (WA)	N								
49.	West Virginia (WV)	N								
50.	Wisconsin (WI)	N								
51.	Wyoming (WY)	N								
52.	American Samoa (AS)	N								
53.	Guam (GU)	N								
54.	Puerto Rico (PR)	N								
55.	U.S. Virgin Islands (VI)	N								
56.	Northern Marianas Islands (MP)	N								
57.	Canada (CN)	N								
58.	Aggregate other alien (OT)	X X X								
59.	Subtotal	X X X	215,038		180,303,005				180,518,043	
60.	Reporting entity contributions for Employee Benefit Plans	X X X								
61.	TOTAL (Direct Business)	(a) 1	215,038		180,303,005				180,518,043	
DETAILS OF WRITE-INS										
5801.		X X X								
5802.		X X X								
5803.		X X X								
5898.	Summary of remaining write-ins for Line 58 from overflow page	X X X								
5899.	TOTALS (Lines 5801 through 5803 plus 5898) (Line 58 above)	X X X								

(L) Licensed or Chartered - Licensed Insurance Carrier or Domiciled RRG; (R) Registered - Non-domiciled RRGs; (Q) Qualified - Qualified or Accredited Reinsurer; (E) Eligible - Reporting Entities eligible or approved to write Surplus Lines in the state; (N) None of the above - Not allowed to write business in the state.

(a) Insert the number of L responses except for Canada and Other Alien.
Explanation of basis of allocation of premiums by states, etc.: ALL PREMIUMS ARED WRITTEN WITHIN THE STATE OF MICHIGAN.

SCHEDULE Y - INFORMATION CONCERNING ACTIVITIES OF INSURER
MEMBERS OF A HOLDING COMPANY GROUP
PART 1 - ORGANIZATIONAL CHART

TOTAL HEALTH CARE, INC. - PARENT
38-2018957, NAIC #95644, STATE OF MICHIGAN

TOTAL HEALTH CARE USA, INC. - WHOLLY OWNED SUBSIDIARY OF TOTAL HEALTH CARE, INC.
38-3240485, NAIC #12326, STATE OF MICHIGAN

TOTAL HEALTH CHOICE, INC. - WHOLLY OWNED SUBSIDIARY OF TOTAL HEALTH CARE, INC.
33-0603319, NAIC #95134, STATE OF FLORIDA

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